

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2045 - HB 2288

February 15, 2020

SUMMARY OF BILL: Removes the 15 percent liquor-by-the-drink (LBD) tax from wine sold for consumption on premises of the winery, farm wine producer, or satellite facilities.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$155,300/FY20-21 and Subsequent Years

Decrease Local Revenue - \$155,300/FY20-21 and Subsequent Years

Assumptions:

- Based on information provided by the Department of Revenue, LBD tax from wineries is estimated to be \$310,611 in FY20-21, and is assumed to remain constant into perpetuity.
- Fifty percent of LBD tax collections is allocated to the General Fund, while the other 50 percent goes to the local municipality in which it was collected.
- Therefore, the recurring decrease in state revenue is estimated to be \$155,306 (\$310,611 x 50%) and the corresponding recurring decrease in local revenue is estimated to be \$155,306 (\$310,611 x 50%).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

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